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#### CALL TO ORDER

[Time: 00:00:09]

Mayor Lane: GOOD AFTERNOON, EVERYONE. I WOULD LIKE TO CALL TO ORDER THE APRIL 30TH, 2013 CITY COUNCIL MEETING. THIS IS A SPECIAL MEETING. I WILL START WITH A ROLL CALL PLEASE.

City Clerk Carolyn Jagger: MAYOR JIM LANE.

Mayor Lane: PRESENT.

City Clerk Carolyn Jagger: VICE MAYOR SUZANNE KLAPP.

Vice Mayor Klapp: HERE.

City Clerk Carolyn Jagger: COUNCILMEMBERS VIRGINIA KORTE.

Councilmember Korte: HERE.

City Clerk Carolyn Jagger: BOB LITTLEFIELD.

Councilman Littlefield: HERE.

City Clerk Carolyn Jagger: LINDA MILHAVEN.

Councilwoman Milhaven: HERE.

City Clerk Carolyn Jagger: GUY PHILLIPS.

Councilmember Phillips: HERE.

City Clerk Carolyn Jagger: DENNIS ROBBINS.

Councilman Robbins: HERE.

City Clerk Carolyn Jagger: ACTING CITY MANAGER DAN WORTH.

Acting City Manager Dan Worth: HERE.

City Clerk Carolyn Jagger: CITY ATTORNEY BRUCE WASHBURN.

City Attorney Bruce Washburn: HERE.

City Clerk Carolyn Jagger: CITY TREASURER DAVID SMITH.

City Treasurer David Smith: PRESENT.

City Clerk Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

City Auditor Sharron Walker: HERE

City Clerk Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: THANK YOU. THERE ARE CARDS IF YOU WOULD LIKE TO SPEAK ON ANY OF THE ITEMS ON THE AGENDA OR FOR PUBLIC COMMENT. THE WHITE CARD THAT IS BEING HELD OVER THE CITY CLERK'S HEAD, MS. JAGGER, AND THEN OF COURSE THERE ARE ALSO YELLOW CARDS IF YOU WOULD LIKE TO GIVE US SOME WRITTEN COMMENTS ON ANY OF THE ITEMS ON THE AGENDA. WE DO HAVE SCOTTSDALE POLICE OFFICERS GREG CARLIN AND TOM CLEARY WITH ME DIRECTLY OUT IN FRONT OF ME HERE IF YOU HAVE A NEED FOR FURTHER ASSISTANCE AND THE AREAS BEHIND THE COUNCIL DAIS ARE RESERVED FOR THE COUNCIL AND FOR STAFF. WE DO HAVE FACILITIES OVER HERE TO MY LEFT FOR YOUR CONVENIENCE. WE WILL START WITH THE PLEDGE OF ALLIANCE AND I WOULD ASK COUNCILMAN LITTLEFIELD TO HELP LEAD US IN THE PLEDGE.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:13]

Councilman Littlefield: PLEDGE OF ALLEGIANCE

**INVOCATION**

[Time: 00:01:42]

Mayor Lane: THANK YOU COUNCILMAN. IN PLACE OF AN INVOCATION I'D LIKE TO JUST HAVE US TAKE A MOMENT OF SILENCE TO CONSIDER THOSE THAT ARE NOT IN THE BEST OF HEALTH DUE TO ANY TRAGEDIES THAT HAVE OCCURRED ACROSS OUR COUNTRY AND THE WORLD. THANK YOU.

**MAYOR'S REPORT**

[Time: 00:02:12]

Mayor Lane: JUST A REPORT ON "FOR OUR CITY" EVENT WAS HELD APRIL 20TH AND IT GENERATED OVER 168 VOLUNTEERS FOR "OPERATION FIX IT." WE ASSISTED 11 SINGLE-FAMILY RESIDENCES WITH ENHANCEMENTS AND MAINTENANCE TO THEIR PROPERTIES. WE ALSO CLEANED UP THREE MULTI-FAMILY PROPERTIES IN THE PAIUTE NEIGHBORHOOD THAT WERE IN A BLIGHTED CONDITION AND A FAMILY OF PROMISE LED TO CLEANUP EVENTS ON THEIR STREET, BELLEVUE, AND THE PROPERTY PROJECTS.

THE DAY WAS A BIG SUCCESS AND WE HAD GROUPS AT EL DORADO PARK AND PAIUTE PARK. IT'S A GREAT START FOR A GREAT PROGRAM, AND I'M GLAD TO SEE WE'VE MOVED TO HELP OUR NEIGHBORS WITH THEIR HOMES AND MAINTAINING GREAT NEIGHBORHOODS. I SEE MR. WORTH, WE HAVE NO CITY MANAGER REPORT?

Acting City Manager Dan Worth: THAT'S CORRECT. NO REPORT TONIGHT.

Mayor Lane: OKAY. THANK YOU. I HAVE NO COMMENT CARDS FOR PUBLIC COMMENT AND IT IS A PERIOD OF TIME THAT'S HELD IN RESERVE FOR CITIZEN COMMENTS REGARDING NON-AGENDIZED ITEMS WITH NO OFFICIAL ACTION TAKEN. THERE ARE NO CARDS AT THIS POINT IN TIME BUT THERE WILL BE TIME AT THE END OF THE SESSION IF THERE ARE CARDS SUBMITTED.

**ADDED ITEMS**

[Time 00:03:31]

SUPPORTING MATERIALS FOR ITEM 3 WERE ADDED TO THE AGENDA LESS THAN 10 DAYS PRIOR TO THE MEETING AND WILL REQUIRE A SEPARATE VOTE. I'D ACCEPT A MOTION TO ACCEPT THE AGENDA AS PRESENTED OR TO CONTINUE THE ADDED ITEM TO THE MAY 7TH MEETING. DO I HAVE SUCH A MOTION?

Councilman Robbins: MOVE WE ACCEPT THE ITEMS, THE AGENDA AS PRESENTED.

Mayor Lane: MOTION IS MADE AND SECONDED. NOTHING FURTHER COMMENT INDICATED. WE'RE READY TO VOTE. ALL THOSE IN FAVOR, INDICATE BY AYE AND THOSE OPPOSED WITH A NAY. IT PASSES UNANIMOUSLY TO KEEP IT ON THE CURRENT AGENDA.

**CONSENT ITEMS**

[Time 00:04:16]

Mayor Lane: WE DO HAVE ONLY ONE ITEM ON THE CONSENT AGENDA. THERE ARE NO CARDS OF COMMENT ON THAT ITEM. DO I HAVE ANY COMMENTS FROM THE COUNCIL? SEEING NONE, I THINK WE'RE READY TO VOTE. OH, I NEED A MOTION FIRST AND THEN WE COULD VOTE.

Councilman Robbins: MOVE TO APPROVE ITEM NO. 1 ON THE CONSENT AGENDA.

Mayor Lane: ALL RIGHT. MOVED AND SECONDED. NO FURTHER COMMENTS. I WILL THEN GO AHEAD AND PROCEED TO VOTE. IN FAVOR, AYE. NAY IF YOU OPPOSE. I HAVE GOT A BLANK SCREEN HERE ON THIS DEVICE HERE, SO I DON'T KNOW WHETHER IT'S GOING TO IMPACT ME LATER ON OR NOT. IS BRIAN AROUND?

OH, ALL RIGHT. I CAN'T SEE ANYTHING HERE. IT SOUNDED LIKE IT WAS UNANIMOUS. WHAT I'M TALKING ABOUT THOUGH IS MY SCREEN RIGHT HERE IN FRONT OF ME. IT SHOWS NOTHING. IT'S THE BLUE SCREEN OF DEATH. IT IS BLUE. YEAH. I'VE BECOME DEPENDENT UPON THIS SCREEN SO.

Councilman Robbins: MAYOR?

Mayor Lane: YES. ALRIGHT, THAT WOULD BE REASONABLE.

## **MINUTES**

[Time: 00:06:08]

Councilman Robbins: I MOVE WE APPROVE THE REGULAR MINUTES OF MARCH 19TH, 2013.

Mayor Lane: VERY GOOD. MOTION MADE AND SECONDED. WE'LL JUST DO A VOICE VOTE. INDICATE BY AN AYE AND REGISTER YOUR VOTE, AND A NAY IF YOU OPPOSE. OKAY, I STILL DON'T HAVE ANYTHING INDICATED. OKAY, VERY GOOD. MAYBE I SHOULD JUST MOVE DOWN THERE.

## **REGULAR AGENDA**

[Time: 00:07:06]

Mayor Lane: WE CAN MOVE ON TO THE REGULAR AGENDA. WE HAVE TWO ITEMS ON THE REGULAR AGENDA AND WE WILL START WITH ITEM 2, WHICH IS THE CITY JUDICIAL REAPPOINTMENT TERMS CODE AMENDMENT AND ASSOCIATE JUDGE REAPPOINTMENT.

## **ITEM 2 – CITY JUDICIAL REAPPOINTMENT TERMS CODE AMENDMENT AND ASSOCIATE CITY JUDGE REAPPOINTMENT**

[Time: 00:07:27]

Acting Human Resources Executive Director Bernadette La Mazza: GOOD EVENING, MAYOR LANE AND CITY COUNCILMEMBERS. ON THIS EVENING'S AGENDA, WE ARE PRESENTING YOU WITH A TWO-PART ITEM FOR CONSIDERATION. THE FIRST PART IS CONSIDERATION OF ADOPTION OF ORDINANCE NO. 4079, AMENDING SECTION 92 OF THE SCOTTSDALE REVISED CODE TO ADD APPOINTMENT TERMS FOR

THE CITY PRESIDING JUDGE AS REQUIRED BY THE CITY'S CHARTER AND TO AMEND THE REAPPOINTMENT TERM LENGTHS FOR ALL ASSOCIATE CITY JUDGE AND PRO TEM JUDICIAL REAPPOINTMENTS AS RECOMMENDED BY THE JUDICIAL APPOINTMENTS ADVISORY BOARD (JAAB).

THE SECOND PART IS CONSIDERATION OF THE REAPPOINTMENT OF JUDGE OREST JEJNA TO A REAPPOINTMENT TERM TO BEGIN ON MAY 1ST, 2013, FOR THE COUNCIL-APPROVED REAPPOINTMENT TERM. THE REASON FOR CONSIDERING JUDICIAL REAPPOINTMENT TERM LENGTHS FIRST IS SHOULD THE ADOPTION OF ORDINANCE NO. 4079 BE APPROVED BY COUNCIL, THEN JUDGE JEJNA'S TERM LENGTHS WILL BE UNIFORM WITH ALL FUTURE JUDICIAL REAPPOINTMENT TERM LENGTHS SHOULD COUNCIL APPROVE JUDGE JEJNA TO SERVE ANOTHER TERM. THE ADVISORY BOARD SUPPORTS AMENDMENTS TO 4079 AND THE REAPPOINTMENT OF JUDGE JEJNA. YOU WILL HEAR REASONS REGARDING THE BOARD'S RECOMMENDATIONS. BUT FIRST I WOULD LIKE TO SHARE SOME GENERAL INFORMATION ABOUT THE JAAB. IN ACCORDANCE TO SCOTTSDALE ORDINANCE, THE ADVISORY BOARD MAKES RECOMMENDATIONS TO THE CITY COUNCIL REGARDING THE APPOINTMENT AND REAPPOINTMENT OF FULL-TIME CITY JUDGES USING MERIT-BASED CRITERIA TO RECOMMEND THE BEST QUALIFIED PERSONS TO BECOME CITY JUDGES AND TO MAKE RECOMMENDATIONS TO CITY COUNCIL ABOUT RETAINING CITY JUDGES. THE SEVEN-MEMBER JOB CONSISTS OF TWO ACTIVE JUDGES, ONE REPRESENTATIVE FROM THE STATE BAR AND SCOTTSDALE BAR ASSOCIATION APPOINTED BY COUNCIL AND THREE CITIZENS APPOINTMENTED BY THE CITY COUNCIL. CURRENT MEMBERS ARE: DON ALVAREZ, THE ARIZONA STATE BAR REPRESENTATIVE; JUDGE BRUCE COHEN, PRESIDING JUDGE OF THE ARIZONA SUPERIOR COURT APPOINTEE; JUDGE THOMAS LECLAIRE; AND CITIZEN MEMBERS DOCTOR IRA EHRLICH, FRANCIS SCANLON, AND KENNETH WEINGARTEN. THEY CURRENTLY DISCUSSED JUDICIAL REAPPOINTMENT TERM LENGTH, UNANIMOUSLY APPROVING A RECOMMENDATION FOR REAPPOINTMENT AND AMENDMENT TO SCOTTSDALE SECTION 92 IN RELATIONSHIP TO JUDICIAL REAPPOINTMENT TERM LENGTHS. AT THIS TIME, I WOULD LIKE TO ACKNOWLEDGE THE BOARD'S DEDICATED AND DILIGENT EFFORTS SERVING ON THE JOB AND TO THANK CITY ATTORNEY SHERRY SCOTT FOR HER OVERALL SUPPORT OF THE BOARD AND FOR HER ASSISTANCE IN DRAFTING ORDINANCE 4079 AND WORKING CLOSELY WITH HUMAN RESOURCES IN BRINGING THIS RECOMMENDATION BEFORE CITY COUNCIL FOR RELATION. I AM NOW DELIGHTED TO INTRODUCE DON ALVAREZ AND ASK HIM TO SHARE THE REASONS FOR THE BOARD'S RECOMMENDATION TO AMEND JUDICIAL REAPPOINTMENT TERM LENGTHS AND EXPLAIN THE BOARD'S RECOMMENDATION TO CITY COUNCIL FOR RETENTION OF JUDGE JEJNA. WE WILL BE AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE.

[Time: 00:10:53]

Arizona State Bar Representative Don Alvarez: IT'S GOOD TO BE BACK BEFORE YOU AGAIN. THE FIRST THING I WANT TO DISCUSS, I'M NOT GOING TO GO OVER EVERYTHING IN THE MATERIALS BECAUSE I KNOW YOU'VE READ EVERYTHING, BUT THE FIRST THING THAT, AND THIS HAS BEEN SOMETHING WE HAVE TALKING ABOUT WITH THE JAAB FOR QUITE A WHILE, IS INCREASING THE JUDGES' TERM LIMITS.

BASICALLY, WE WANT TO INCREASE THEIR TERM LIMITS TO FOUR YEARS FROM TWO YEARS. THE PRESIDING JUDGE, WE HAVE TO HAVE A TIME LIMIT BECAUSE THE CITY CHARTER SAYS WE NEED ONE AND THE ORDINANCE RIGHT NOW DOES NOT, OR THE CITY CODE DOES NOT HAVE THE TERM LIMIT IN THERE RIGHT NOW, BUT WE'RE ASKING THAT THAT BE SET AT FOUR YEARS, FOUR YEARS FOR RENEWAL OF ASSOCIATE JUDGES BUT KEEPING TWO YEARS FOR BRAND NEW ASSOCIATE JUDGES. THIS IS THE SAME AS IN SUPERIOR COURT, AND IT'S MORE EFFICIENT TO DO IT THIS WAY.

[Time: 00:11:58]

I'M JUST GOING TO HIGHLIGHT I THINK THREE OF THE NUMBER OF REASONS FOR DOING THIS. THE FIRST ONE, AND I THINK THIS IS THE MOST IMPORTANT ONE; IT SAVES COST TO THE CITY. MAYBE IT'S NOT THE MOST IMPORTANT, BUT IT IS A VERY IMPORTANT ISSUE. FROM WHAT I UNDERSTAND TODAY, THE SURVEY THAT WE HAVE DONE FOR EACH REAPPOINTMENT COSTS THE CITY ABOUT \$2,700, BUT THAT COST HAS NOT GONE UP IN A NUMBER OF YEARS AND WE SUSPECT IT'S GOING TO GO UP IN THE FUTURE.

MORE IMPORTANTLY, WE HAVE INTO THE REAPPOINTMENT PROCESS ABOUT 360 HOURS FOR EACH JUDGE OF STAFF TIME AND THIS INCLUDES ADDITIONAL TIME FOR THE CITY ATTORNEY AND THE HR DIRECTOR AND IF YOU AVERAGE OUT THE COST OF THAT, IT'S ABOUT \$35 AN HOUR. IT TIES UP A LOT OF STAFF TIME JUST TO DO EACH ONE OF THESE REAPPOINTMENTS.

PUTTING IT AT FOUR YEARS ALSO GIVES THE JUDGES A LITTLE BIT MORE JOB SECURITY. THEY FEEL A LITTLE BIT BETTER. GOING THROUGH THIS, THIS IS MY SECOND TIME GOING THROUGH IT WITH JUDGE JEJNA. THIS TAKES UP A LOT OF EMOTIONAL EFFORT FOR THE JUDGES WHO GO THROUGH THIS EVERY YEAR. THEY'RE HARD-WORKING, OUR COURTS ARE VERY CROWDED, WE HAVE A LOT OF HEAVY CASE LOADS. JUDGE JEJNA, WE'LL HEAR ABOUT HOW MUCH WORK HE DOES IN THE COURTS, AND EVERY TWO YEARS TO GO THROUGH THIS PROCESS IS A BIT OF A HARDSHIP ON THE JUDGES.

LONGER TERMS WILL ALSO ENSURE THE JUDICIAL INDEPENDENCE. IN OTHER WORDS A LOT OF TIMES WHEN YOU HAVE TO GO THROUGH THIS PROCESS OFTEN, YOU FEEL LIKE YOU MAY BE BEHOLDEN TO SOMEBODY IN ORDER TO GET REAPPOINTED. I'M NOT SAYING THAT OCCURS HERE, BUT THERE'S THAT POSSIBILITY.

AFTER A LOT OF DISCUSSION AMONGST OUR COMMITTEE MEMBERS, WE'VE UNANIMOUSLY RECOMMENDED THAT THE COURT ADOPT THE AMENDMENT THAT HAS BEEN PROPOSED, AND WE THINK THAT IS ORDINANCE NUMBER 4079 WHICH WILL INCREASE THE TERMS OF THE ASSOCIATE JUDGES TO FOUR YEARS, SET THE TERM OF THE PRESIDING JUDGE TO FOUR YEARS, AND ALSO INCREASE THE JUDGE PRO TEMS TO FOUR YEARS FROM A TWO-YEAR PERIOD.

THE SECOND THING I WANT TO TALK TO YOU ABOUT IS JUDGE JEJNA. THIS IS THE SECOND TIME I'VE HAD THE PLEASURE OF APPEARING BEFORE THE COUNCIL TO RECOMMEND REAPPOINTMENT. WE'VE UNANIMOUSLY AGREED THAT HE BE REAPPOINTED AND IT'S PLEASING TO GO THROUGH THAT PROCESS. ALL OF THE COMMENTS ABOUT HIM FROM ATTORNIES, OTHER JUDGES, AND FROM PROSECUTORS HAVE BEEN NOTHING BUT STERLING. HE HAS A TREMENDOUS REPUTATION. HE ALSO VOLUNTEERS AND TAKES ON A LOT OF OTHER CASES FROM OTHER JUDGES, AND I THINK IF THERE'S

ANYONE ELSE WHO'S GOING TO SPEAK ON HIS BEHALF, THEY WILL TELL YOU THAT HE HAS A TREMENDOUS WORK ETHIC. IF YOU LOOK AT THE SURVEY RESULTS, THEY'RE ALL OUTSTANDING GRADES THAT HE GETS. THIS IS CONSISTENT WITH WHAT HE'S HAD IN THE PAST; SO AGAIN, THE JAAB UNANIMOUSLY RECOMMENDS THAT HE BE REAPPOINTED. WE WANT YOU TO CONSIDER THE ORDINANCE FIRST SO THE JUDGE WILL KNOW WHETHER IT'S FOR A FOUR-YEAR OR A TWO-YEAR TERM. IF THERE ARE ANY QUESTIONS, I'LL BE HAPPY TO ANSWER.

Mayor Lane: IT DOESN'T LOOK LIKE THERE ARE ANY QUESTIONS. THANK YOU VERY MUCH, MR. ALVAREZ.

Don Alvarez: THANK YOU.

Mayor Lane: I DO NOT HAVE ANY CARDS ON THIS. NO PUBLIC COMMENT. UNLESS ANY COUNCILMAN OR WOMAN WHO WOULD LIKE TO SPEAK TO IT. COUNCILMAN LITTLEFIELD?

[Time: 00:16:27]

Councilman Littlefield: I'M GOING TO OPPOSE THIS. I HAVE FELT FOR ALL THE TIME I'VE BEEN ON BOARD, WE ACTUALLY EXERCISE TOO LITTLE SUPERVISION OVER THE CITY COURT. I GET COMPLAINTS ALL THE TIME FROM SCOTTSDALE RESIDENTS THAT THE CITY COURT ISN'T EXACTLY RESIDENT-FRIENDLY, AND THAT'S WHY I OPPOSE THE LAST COUPLE OF APPOINTMENTS AND WHY I OPPOSE THE APPOINTMENT OF THE CURRENT PRESIDING JUDGE. I THINK WE SHOULD ACTUALLY BE EXERCISING MORE SUPERVISION OVER THE COURT RATHER THAN LESS. I SUSPECT THAT I'M NOT GOING TO MAKE A MOTION TO THAT EFFECT BECAUSE I SUSPECT THEN WE WILL JUST HAVE TO GO BACK AND FORTH, BUT I WON'T BE SUPPORTING INCREASING THE LENGTH OF THE TERMS.

Mayor Lane: THANK YOU, COUNCILMAN. NO MOTION. STARTING THEN WITH COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: THANK YOU, MAYOR AND MR. ALVAREZ, THANK YOU FOR YOUR SERVICE ON THE JAAB. I KNOW IT'S A LOT OF HARD WORK, AND WE REALLY APPRECIATE YOUR EFFORTS. GOOD WORK IS ALWAYS FUN. AND JUDGE JEJNA, THANK YOU FOR YOUR SERVICE.

I'D LIKE TO MAKE A MOTION TO ADOPT ORDINANCE 4079; AMENDING SECTION 9 THE SCOTTSDALE REVISED CODE AND ALSO MOVE THAT WE REAPPOINTMENT JUDGE JEJNA FOR AN ADDITIONAL TERM TO BEGIN ON MAY 21ST, 2013.

Mayor Lane: MOTION MADE AND SECONDED BY COUNCILMAN ROBBINS.

Councilman Robbins: BRIEFLY MAYOR, THANK YOU AND I THANK YOU GENTLEMEN FOR YOUR SERVICE TOO. I THINK THIS IS A GOOD IDEA. YOUR REASONING THAT WE HAVE A TWO-YEAR TERM FOR A NEW JUDGE SO WE CAN KEEP AN EYE ON HIM, AND I THINK THE JAAB DOES AN EXCELLENT JOB OF THE BACKGROUND AND THE INTERVIEW PROCESS AND THE COMPLAINT PROCESS AND THEN TO HAVE A

JUDGE SERVE FOR FOUR YEARS AFTER THAT IS ENTIRELY APPROPRIATE. TO GO THROUGH THAT PROCESS EVERY TWO YEARS DOES WASTE RESOURCES, SOMETHING WE ARE NOT HERE TO DO. I'M IN AGREEMENT WITH THIS WHOLEHEARTEDLY, SO THANK YOU AGAINF OR YOUR SERVICES.

Mayor Lane: THANK YOU, COUNCILMAN. I WOULD SAY TOO THAT I CERTAINLY WITH THE ORIGINAL COUNCIL ASSISTED IN CHANGING THIS ORDINANCE TO ITS PRESENT FORM. I DO BELIEVE THE TWO-YEAR FOR THE INITIAL CYCLE OF THE ASSOCIATE JUDGE IS STILL A GOOD IDEA, AND I THINK IT WILL WORK FINE IN OUR INITIAL ASSESSMENT OF THAT SHORTER PERIOD OF TIME. I'M GOING TO BE FOR THIS MOTION.

Mayor Lane: VICE MAYOR KLAPP.

Vice Mayor Klapp: I'LL BE SUPPORTING THE MOTION AS WELL AND I REALLY APPRECIATE THE WORK THAT THE JAAB DOES. YOU'VE GOT A GREAT ORGANIZATION AND ARE EXCEPTIONALLY THOROUGH IN ALL THAT YOU DO. AND I BELIEVE THAT WE PROBABLY EXERCISE JUST ENOUGH OVERSIGHT OVER YOU BECAUSE I THINK YOU ARE PRETTY GOOD AT HANDLING THE WORK OF THE ADVISORY BOARD, REVIEWING THE POTENTIAL JUDGE CANDIDATES, AND REVIEWING JUDGES THAT ARE UP FOR REREVIEW. SO I APPRECIATE THE WORK AND I RESPECT THE RECOMMENDATION THAT YOU MADE TO US, AND THAT'S WHY I'M APPROVING IT.

Mayor Lane: THANK YOU, COUNCILWOMAN.

Mayor Lane: COUNCILWOMAN KORTE.

Councilmember Korte: I WILL BE SUPPORTING THIS MOTION, AND I JUST WANT TO THANK YOU FOR YOUR SERVICE TO OUR COMMUNITY. IT IS INDIVIDUALS LIKE YOU THAT MAKE SCOTTSDALE SPECIAL.

Mayor Lane: I THINK THAT'S THE LAST OF THE COMMENTS ON THAT. MR. ALVAREZ, I DO WANT TO COMMEND YOU AND THE ENTIRE JAAB BOARD. YOU DO GREAT WORK AND IT'S APPRECIATED. THANK YOU FOR BRINGING THIS FORWARD ALONG WITH THESE REAPPOINTMENTS AS WELL.

WITH THAT, I THINK WE'RE READY THEN TO VOTE. IN FAVOR OF THE MOTION PLEASE INDICATE BY AYE AND REGISTER YOUR VOTE AND OPPOSED WITH A NAY. MOTION PASSES, 5-2, WITH COUNCILMAN LITTLEFIELD AND COUNCILMAN PHILLIPS OPPOSING. WE'LL MOVE ON TO THE SECOND PORTION OF THAT ITEM, WHICH IS TO DISCUSS AND CONSIDER POTENTIALLY REAPPOINT OREST JEJNA, ASSOCIATE CITY JUDGE. I KNOW THE PRESENTATION HAS ALREADY BEEN MADE IN THAT REGARD. THERE ARE NO COMMENT CARDS TO COMMENT ON THAT. I'M SORRY, MR. WASHBURN?

Bruce Washburn: I'M SORRY YOUR HONOR. I THOUGHT THAT HAD BEEN INCLUDED IN THE ORIGINAL MOTION.

Mayor Lane: OH, I'M SORRY. VERY GOOD THEN, WE'RE COVERED. WE COULD HAVE VOTED ON IT AGAIN, BUT. CONGRATULATIONS THEN, JUDGE. THANK YOU.

**ITEM 3 – ARIZONA SUPER BOWL XLIX (49) HOST COMMITTEE**

[Time: 00:21:16]

Mayor Lane: THAT DOES COMPLETE THEN THE ENTIRETY OF ITEM 2. WE'LL MOVE ONTO OUR ITEM IN THE REGULAR AGENDA, ITEM 3, THE ARIZONA SUPER BOWL XLIX (49), 2015 HOST COMMITTEE AND WE WILL START WITH STEVE GEIOGAMAH WHO WILL MAKE A PRESENTATION FROM THE TOURISM DEVELOPMENT COORDINATOR.

Tourism Development Coordinator Steve Geiogamah: GOOD EVENING, MAYOR, COUNCILMEMBERS. THIS EVENING WE ARE PRESENTING TO YOU SUPER BOWL 49, THE ARIZONA SUPER BOWL HOST COMMITTEE SPONSORSHIP REQUEST. IN JUST A MOMENT I'M GOING TO INTRODUCE YOU TO DAVID

ROUSSEAU WITH THE HOST COMMITTEE, AS WELL AS WINNIE STOLPER WHO WILL PROVIDE SOME INFORMATION AND UPDATES REGARDING SOME CURRENT ACTIVITIES OF THE HOST COMMITTEE AS IT RELATES TO OUR SPONSORSHIP REQUEST HERE THIS EVENING. RACHEL SACCO, CEO AND PRESIDENT OF THE SCOTTSDALE CONVENTION VISITORS' BUREAU (SCVB) WILL BE COMING UP HERE AS WELL TO TALK ABOUT SOME OF THE INITIATIVES THAT ARE GOING TO BE FOCUSED AROUND THE SPONSORSHIP PACKAGE YOU HAVE HERE THIS EVENING. EXCUSE ME.

[Time: 00:22:03]

IN REGARDS TO THE ACTIVITY, I'D LIKE TO GIVE YOU SOME BRIEF UPDATES REGARDING WHAT WE'RE REQUESTING HERE THIS EVENING. WE'RE REQUESTING AUTHORIZATION OF AN AGREEMENT WITH THE ARIZONA SUPER BOWL HOST COMMITTEE, THAT IS A THREE-YEAR AGREEMENT BETWEEN THE CITY OF SCOTTSDALE AND THE ARIZONA SUPER BOWL HOST COMMITTEE. IN REGARD TO THAT, WE ARE REQUESTING SOME DOLLAR SUPPORT TO SUPPORT THE THREE-YEAR AGREEMENT, \$645,840. IN ADDITION IS TO PROVE SOME FULFILLING ACTIVITIES THAT THE SCOTTSDALE CONVENTION AND VISITORS' BUREAU WILL PROVIDE IN REGARD TO THE PACKAGES OUTLINED HERE THIS EVENING.

THE METROPOLITAN PHOENIX AREA HOSTED TWO GAMES AND THE TOTAL ESTIMATED IMPACT EXCEEDED \$500 MILLION AND FOR THE 2015 GAME, WE'LL PROBABLY EXCEED \$600 MILLION. THIS NEXT SLIDE HERE SHOWS SOME ESTIMATED NUMBERS IN TERMS OF REVENUE OR ADDITIONAL REVENUE THAT COULD BE INCURRED BY HOSTING THE GAME FOR SCOTTSDALE IN 2015. THIS IS A VERY CONSERVATIVE APPROACH IN TERMS OF THESE NUMBERS, STAFF ESTIMATES; THE METHODOLOGY USED WAS FAIRLY SIMPLE AS WELL. OVER A SEVEN-DAY PERIOD, WE ASSOCIATED AN ADDITIONAL \$14 MILLION COMING FROM THE GAME IN 2015. IN ADDITION TO THAT, THE FISCAL IMPACT WILL EXCEED \$700,000, ILLUSTRATED BY THE NUMBER IN THE RIGHT-HAND CORNER OF THIS SLIDE.

SOME OF THE ADDITIONAL BENEFITS ASSOCIATED WITH THE GAME: THE EXTENSIVE TELEVISION COVERAGE FOR HOSTING AN EVENT OF THIS CALIBER, THE WORLDWIDE MEDIA EXPOSURE IS EXTENSIVE IN THAT REGARD, AND ALSO WE HAVE THE OPPORTUNITY TO BRING IN FIRST-TIME VISITORS TO THE CITY OF SCOTTSDALE. THAT'S VERY IMPORTANT IN TERMS OF THE POTENTIAL MULTIPLIER EFFECT OF INTRODUCING VISITORS FOR THE FIRST TIME TO THE CITY OF SCOTTSDALE THROUGH AN EVENT OF THIS TYPE. WE UTILIZE OUR EVENT DOLLARS TO INTRODUCE THE CITY TO

NEW VISITORS IN ORDER TO TRIGGER VISITATION TO SCOTTSDALE. SOME OF THE ESTIMATED MEDIA VALUE ASSOCIATED WITH THIS, AND THIS WAS CALCULATED BY A CONSULTANT THAT THE CITY USES TO EVALUATE SPONSORSHIP PACKAGES OF THIS TYPE, VALUED AT \$1.75 MILLION FOR THE POTENTIAL MEDIA EXPOSURE OF THIS TYPE FOR THE CITY OF SCOTTSDALE. THIS IS PROBABLY A CONSERVATIVE NUMBER WHEN YOU LOOK AT SOME OTHER NUMBERS THAT WERE PRODUCED FOR THE 2008 GAME. THE WALTER CRONKITE SCHOOL ESTIMATED THE VALUE ASSOCIATED WITH THAT GAME FOR THE PHOENIX AREA EXCEEDED \$60 MILLION. SO WHEN YOU COMPARE THAT LOWER NUMBER, THERE'S QUITE A BIT OF VALUE THAT COULD POTENTIALLY BE MORE THAN THIS.

IN REGARD TO THE CONTRACT AND THE BENEFITS, I JUST WANT TO POINT OUT THESE TWO PARTICULAR TERMS IN THE CONTRACT. WE ARE ANTICIPATING A DOLLAR FOR DOLLAR RETURN ON OUR REQUEST BEING PROPOSED HERE THIS EVENT. SO WE HAVE PUT IN CERTAIN CONTRACT TERMS THAT WILL PROVIDE FOR THE CITY TO RECEIVE POTENTIAL RETURN OR RECOURSE REGARDING OUR

SPONSORSHIP REQUEST AND ENSURING THAT THOSE DOLLARS ARE MET. WE ANTICIPATE EXCEEDING THE AMOUNT, BUT WE HAVE TERMS IN PLACE IN THE CONTRACT THAT WILL ALLOW SOME RECOURSE IF IT IS NOT. THERE WILL BE NUMEROUS REPORTS AND EVENTS ON AN ANNUAL BASIS TO ALLOW US TO VALUE THE PROPOSAL AT ANY GIVEN TIME RELATED TO THIS.

IN REGARD TO AVAILABLE FUNDS, WE ARE LOOKING AT BED TAX DOLLARS FROM THE CITY. CURRENTLY \$215,280 IS AVAILABLE FROM THE FUND FOR THIS YEAR. WE ANTICIPATE THAT BEING AVAILABLE THE NEXT FEW YEARS AS WELL. THAT WILL BE BROUGHT FORWARD AS THE CITY BUDGET PROCESS AND THE \$1.2 MILLION DOLLARS HAS BEEN IDENTIFIED FOR EVENTS IN ECONOMIC DEVELOPMENT. THAT CONCLUDES MY PORTION, MY INTRODUCTION TO THIS. I'D LIKE TO INVITE DAVID ROUSSEAU AND WINNIE STOLPER WITH THE HOST COMMIT TO COME UP NOW.

[Time: 00:26:33]

Chair of the Arizona Host Committee for the Super Bowl David Rousseau: I'M TEMPTED TO GO AHEAD AND ASK YOU TO VOTE NOW. STEVE JUST DID A NICE JOB OF SETTING THIS UP AND I'D HATE TO TALK ANYBODY OUT OF AN AFFIRMATIVE POSITION, BUT WE'RE READY. MAYOR LANE, MEMBERS OF THE COUNCIL, THANK YOU VERY MUCH, MY NAME IS DAVID ROUSSEAU. MY NORMAL JOB IS PRESIDENT OF SALT RIVER PROJECT AND ABOUT A YEAR AGO, I ACCEPTED THE OPPORTUNITY TO REPRESENT THE STATE OF ARIZONA SERVING AS THE CHAIR OF THE ARIZONA HOST COMMITTEE FOR THE SUPER BOWL. AT THE TIME, I WASN'T REALLY SURE WHAT THAT ENTAILED AND IT SOUNDED COOL ON SOME LEVEL. THERE'S BEEN A FEW SLEEPLESS NIGHTS, I HAVE TO ADMIT. BUT I WOULD TELL YOU THAT, EVERYBODY, AS THE MAYOR SET UP EARLIER, WE DO GET THE SUPER BOWL, AND NOT NEXT YEAR, WHICH IS IN NEW YORK, BUT THE FOLLOWING YEAR IN 2015. WE LAST HAD THE GAME IN 2008.

SO I THINK WHAT I WOULD LIKE TO CAPTION, IT'S REALLY NOT ABOUT FOOTBALL. I THINK THE BEST WAY I CAN EXPLAIN THAT IS THAT OUR COUNTERPART IN NEW YORK, THE CHAIR, AND HIS PRIMARY STAFFER BOTH CAME OVER FROM VERY SUCCESSFUL CAREERS WITH LEAVING AMERICAN EXPRESS. JENNIFER, HIS CHIEF OF STAFF RELATED TO ME, I WAS WANTING TO TALK FOOTBALL WITH HER, AND SHE SAID REALLY I'VE NEVER GONE TO A FOOTBALL GAME BEFORE. THE SUPER BOWL IN INDIANAPOLIS WAS HER FIRST FOOTBALL GAME SHE'D WATCHED, MUCH LESS ATTENDED AND IT WAS INTERESTING

TO THINK ABOUT THAT. AND SHE SAID NOW MY HUSBAND WHO'S A THEATRE PROFESSOR AT NYU (NEW YORK UNIVERSITY) WILL COME HOME AND FIND ME WATCHING A FOOTBALL GAME DRINKING A BEER, SO THERE'S BEEN SOME TRANSFORMATION THAT'S OCCURRED IN HER HOUSE. BUT IT'S REALLY NOT ABOUT FOOTBALL AND I THINK THAT'S KIND OF THE MESSAGE I WANTED TO TRY TO IMPART. THERE'S THE CORNERSTONE, ECONOMIC DEVELOPMENT, SO WHEN WE'RE MEETING WITH THE BUSINESS COMMUNITY, WE'RE TOUTING THE RESULTS OF THE LAST TIME, RAY ARTIGUE IS HERE WHO WAS A MEMBER OF THE COMMITTEE LAST TIME, AND HIS EFFORT WITH ASU (ARIZONA STATE UNIVERSITY) AND THE SCHOOL OF SPORTS MANAGEMENT CONDUCTED A SURVEY AFTERWARDS THAT SHOWED THAT JUST THE SPEND ASSOCIATED WITH TRAVEL, SO IF YOU BOUGHT AN AIRPLANE TICKET INTO TOWN DURING THE SUPER BOWL WEEK, IF YOU RENTED A CAR OR STAYED IN A HOTEL, YOUR EXTENDED SPEND FOOTPRINT TRANSLATED TO HALF A BILLION DOLLARS MORE OR LESS. WE THINK THAT'S A CONSERVATIVE ESTIMATE WHEN YOU CONSIDER THE RESIDENT POPULATION AND THE EXTENT THEY'LL HAVE. BUT THAT'S WHAT WE'VE BEEN TALKING ABOUT IN THE BUSINESS COMMUNITY AS WE'VE CIRCLED WITH THIS STORY. IT IS A POSITIVE STORY AND I THINK ARIZONA HAS AN OPPORTUNITY WITH THE SUPER BOWL WHEN THE WHOLE WORLD IS WATCHING TO MAYBE PUT ON A

BETTER FACE THAN THE ONE WE'RE PORTRAYED AS HAVING. I THINK THAT'S AN OPPORTUNITY AND ALSO A CHALLENGE. THE BUSINESS COMMUNITY HAS RALLIED TO THAT CHALLENGE AND KNOWS THAT IN THE NEXT 20 MONTHS THAT WE HAVE LEADING UP TO THE SUPER BOWL, THERE'S A LOT WE CAN ACCOMPLISH ON A NUMBER OF FRONTS. WE CAN DO A BETTER JOB ON EDUCATION, WE CAN DO A BETTER JOB ON HEALTHCARE, AND FRANKLY WE CAN JUST DO A BETTER JOB AND THAT'S A MESSAGE THAT RESONATES WITH THE 25 LARGEST EMPLOYERS WHO WORKED HARD AT GETTING US OUR PRINCIPAL INVESTORS IN THIS GAME.

AFTER THE GAME, THERE WAS A GREAT ARTICLE ABOUT THE GAME IN INDIANAPOLIS, THE DAY AFTER THE GAME, EVERYBODY WAS SO TIRED OF THE SUPER BOWL, THEY BASICALLY ABDICATED THE DOWNTOWN DISTRICT TOO. BASICALLY NOBODY WENT TO WORK. SO THE STREETS WERE VACANT AND I THINK THAT SERVED AS SORT OF THE SYMBOLISM AS TO WHAT ARE WE GOING TO DO WITH THAT. AT A MINIMUM, 10% OF OUR \$25 MILLION WILL GO BACK INTO THE NONPROFIT COMMUNITY. OUR GOAL IS TO OVERRRAISE SO THAT WE CAN JUST EXPAND THAT AND LEAVE A GREATER LEGACY THAT IS DRIVEN BY OUR SPONSOR INVESTORS. SO WE LOOK AT THAT AS A UNIQUE OPPORTUNITY HERE.

THERE IS, JUST TO GIVE YOU A LITTLE FLAVOR, WHAT THE HOST COMMITTEE DOES, WE HAVE A \$25 MILLION OBLIGATION, CONTRACTUAL OBLIGATION FOR THE GAME TO COME. IT COMES UP QUITE FREQUENTLY. THE CRITICISM THAT THE NFL'S (NATIONAL FOOTBALL LEAGUE) COMING HERE FOR THE GAME, THAT'S ANNOUNCED, WHY ON EARTH WOULD YOU NEED TO ENRICHEN THE NFL'S WALLET? AND THAT'S NOT TRUE. THE OBLIGATION IS ON THE PART OF THE HOST COMMITTEE, AND IT'S A REAL OBLIGATION, AND THERE'S OTHER MARKETS THAT ARE WILLING TO STEP IN IN OUR PLACE IN AN EVENT THAT WE WEREN'T ABLE TO BE SUCCESSFUL IN THAT EFFORT AND THEN I THINK THERE'S AN OPPORTUNITY. SO AGAIN, THE HOST COMMITTEE IS BASICALLY GOING TO SERVE AS AN INTERFACE. YOU'RE GOING TO GET DOLLAR FOR DOLLAR VALUE JUST LIKE OUR CORPORATE SPONSORS, AND I THINK WE'RE GOING TO MAKE SURE THAT WE DELIVER ON THAT. I'M GOING TO INTRODUCE AND GIVE WAY TO WINE WHO'S OUR CHIEF ADMINISTRATIVE OFFICER AND ALSO OUR CEO WHO ARE THE PAID STAFF. AND YOU CAN HAVE A HIGHER EXPECTATION OF WHAT THEY'RE DOING AS OPPOSED TO THE

VOLUNTEER STAFF. BUT WE'RE EXCITED ABOUT SCOTTSDALE'S PARTNERSHIP WITH US. I THINK IT SENDS AN IMPORTANT MESSAGE THAT A COMMUNITY IS SIGNIFICANT TO ARIZONA'S STORY AS SCOTTSDALE IS, THAT YOU ARE LENDING YOUR SUPPORT TO OUR EFFORTS. SO I APPRECIATE YOUR CONSIDERATION AND LOOK FORWARD TO ANSWERING ANY QUESTIONS. THANK YOU.

[Time: 00:33:09]

Winnie Stolper: THANK YOU MAYOR AND COUNCILMEMBERS FOR LETTING US BE HERE TONIGHT. BEFORE I LAUNCH INTO SOME OF THE DISCUSSION, I WAS ASKED TO MENTION HOW WE CAME ABOUT WITH THE REQUEST THAT WE HAVE BEFORE YOU TONIGHT AND OUT OF THE \$25 MILLION THAT DAVID MENTIONED, WE ARE SEEKING \$3 MILLION FROM THE COMMUNITIES OF MARICOPA COUNTY, AND THE WAY THE \$645,840 WAS DETERMINED FOR SCOTTSDALE IS BASED ON GROWTH, HOTEL ROOM SALES FOR 2010. THAT WAS THE MOST RECENT MEASURED YEAR AT THAT POINT, AND THAT'S HOW THE COMMUNITY DECIDED IT WAS THE BEST WAY TO ALLOCATE THE REQUEST ACROSS THE COMMUNITIES BECAUSE YOU BENEFIT FROM HAVING THE HOTEL ROOMS. IN SCOTTSDALE, PARTICULARLY BENEFITS, BECAUSE THEY HAVE THE ADDITIONAL BED TAX. SO I'M GOING TO TALK ABOUT THE BENEFITS AND I'M GOING TO BE KIND OF BRIEF BECAUSE I THINK STEVE HIT ON QUITE A FEW OF THEM. BUT THE BENEFITS TO SCOTTSDALE SURROUNDING SUPER BOWL 49, THE RELATIONSHIP IS OVER \$3 MILLION DOLLARS WITH THE FIRST BEING THE INCREMENTAL TAXES THAT STEVE MENTIONED OF \$727,698. AND I HAVE TO SAY AS A LONGTIME RESIDENT OF SCOTTSDALE, I THINK THAT WE HAD EVENTS SUCH AS THE SUPER BOWL IN MIND WHEN WE PASSED THE BED TAX, SO I THINK IT'S A GREAT USE FOR IT. THE BENEFITS DELINEATED IN THE SPONSORSHIP AGREEMENT WITH THE HOST COMMITTEE ARE \$645,840 AND I'LL TALK ABOUT THOSE IN A MINUTE. THE INCREMENTAL TAXES EXCEED THAT. THEN WE HAVE THE \$1,750,000 ESTIMATE OF MEDIA VALUE THAT THE ARTIGUE AGENCY ANALYSIS GAVE US.

[Time: 00:35:09]

NONE OF THIS INCLUDES THE DIRECT AND INDIRECT SPENDING RELATED TO THE SUPER BOWL. SO THOSE ARE ESTIMATES OF WHAT WE WILL ACTUALLY GET, BUT THERE'S A LOT THAT GOES ON BEYOND THAT IN TERMS OF WHAT'S SPENT AT RESTAURANTS AND BARS AND FEES AT THE AIRPORT, WHICH SAW A HUGE INCREASE IN TRAFFIC RELATED TO SUPER BOWL 42 AND SHOULD AGAIN FOR 49. AS FOR THE BENEFITS OF THE SUPER BOWL SPONSORSHIP AGREEMENT, IT'S IMPORTANT TO NOTE THAT THE CITY IS BEING TREATED LIKE A CORPORATE SPONSOR AND WE DON'T REALLY HAVE THAT SITUATION WITH A NUMBER OF OTHER MUNICIPALITIES. ONE OF THE MOST IMPORTANT ELEMENTS IS THAT WE'RE FOCUSING ON INCREASING BUSINESS FOR SCOTTSDALE. THAT'S WHAT THE RETURN SHOULD BE FOR THIS SPONSORSHIP AGREEMENT. THE WAY WE'RE GOING TO DO THAT IS FIRST WITH HOTEL ROOMS, INCREASED OCCUPANCY DURING THE TIME, RATES, AND EXPOSURE TO PROMINENT GROUPS THAT WILL BE VISITING. ANOTHER WAY IS THE VISITING CEO PROGRAM WHERE WE INVITE CEO'S FROM

AROUND THE NATION AND ACTUALLY INTERNATIONALLY TO COME AND GET A LOOK AT ARIZONA AND SCOTTSDALE AND WE INTRODUCE THEM TO THE BUSINESS COMMUNITY. WE ENTERTAIN THEM WITH THE SUPER BOWL. SCOTTSDALE WILL HAVE A CHANCE TO IDENTIFY SPECIFIC COMPANIES THEY WANT TO BRING HERE FOR EXPANSION OR RELOCATION. AS FOR SMALL BUSINESS, WE HOPE TO GAIN

INCREASED BUSINESS FOR SCOTTSDALE'S SMALL BUSINESSES THROUGH OUR "BUSINESS CONNECT" PROGRAM AND THAT'S WHERE WE INTRODUCE THE BUSINESSES TO NFL SPONSORS, VENDORS, AND TRY TO GARNER SUPER BOWL 49 BUSINESS. THEN IN NOVEMBER, WE'RE GOING TO BE CONDUCTING A FAMILIARIZATION OR FAN TOUR WHERE WE BRING IN NFL SPONSORS, PARTNERS, TRAVEL PLANNERS, AND WE SHOW THEM AROUND. SCOTTSDALE WILL HAVE AN OPPORTUNITY TO IDENTIFY VENUES IN SCOTTSDALE THAT YOU WOULD LIKE TO INTRODUCE TO THIS COMMUNITY.

MARKETING, THERE'S NO PLATFORM LIKE THE SUPER BOWL. THE MARKETING THAT CVB DOES ON A DAILY BASE IS CRUCIAL TO SCOTTSDALE. WE WILL BE SUPPLEMENTING THAT WITH TV, RADIO, PRINT, A MEDIA GUIDE THAT GOES TO OVER 5,000 MEMBERS OF THE MEDIA, EVENT GUIDES AND PROGRAMS, OVER 200,000 DISTRIBUTED, WEBSITE RECOGNITION AND LINKS, E-MAIL BLASTS, HOST COMMITTEE EVENT, AND AGGRESSIVE SOCIAL MEDIA.

THE SUPER BOWL PROVIDES A UNIQUE AUDIENCE, VISITORS FROM AROUND THE WORLD AND WHEN PEOPLE COME TO SCOTTSDALE, THEY OFTEN WANT TO STAY. IN ADDITION, SCOTTSDALE WILL HAVE THE OPPORTUNITY TO HAVE REPRESENTATION ON OUR COMMITTEES IN ECONOMIC DEVELOPMENT, EVENTS, HOSPITALITY, AND MEDIA. SCOTTSDALE ALSO WILL HAVE A NUMBER OF HOSPITALITY OPPORTUNITIES WHICH AGAIN THEY CAN LEVERAGE TOURS INCREASING BUSINESS. SO YOU CAN BE

USING THESE SUPER BOWL HOSPITALITY OPPORTUNITIES EITHER TO INCREASE TOURISM, BRING IN MEETING PLANNERS, OR FOR COMPANIES THAT YOU WANT TO ATTRACT TO THE AREA.

IN SUMMARY, SUPER BOWL 42 WAS A HUGE SUCCESS FOR SCOTTSDALE, AND WE'RE OUT AND ABOUT, TALKING TO THE OTHER MUNICIPALITIES, EVERYONE IS ALWAYS ENVIOUS OF THE BUSINESS THAT WAS DONE HERE FOR SUPER BOWL 42. WELL, WE THINK SUPER BOWL 49 WILL BE AN EVEN BIGGER SUCCESS AND WE'RE ASKING FOR YOUR SUPPORT IN THAT. THANK YOU AND I WILL BE AROUND FOR QUESTIONS, OF COURSE. AND I WOULD LIKE TO INTRODUCE RACHEL SACCO WHO IS PRESIDENT/CEO OF THE SCVB.

[Time: 00:39:45]

CEO/President Scottsdale Convention and Visitors' Bureau Rachel Sacco: THANK YOU. MAYOR, VICE MAYOR, MEMBERS OF THE COUNCIL. IF THEY WERE ENVIOUS IN 2008, I CAN'T WAIT TO SEE WHAT THEY THINK OF 2015. I GET TO WORK WITH ALL OF THE COMMUNITIES AS A PARTNER WITHIN THE STATE TO TRY TO BRING EVENTS LIKE THIS HERE. SEE I ALSO GET TO REPRESENT SCOTTSDALE, FIRST AND FOREMOST. AND WHAT I WANT TO SAY IS THAT I THINK SCOTTSDALE IS IN A VERY UNIQUE AND ENVIABLE POSITION BECAUSE OF THE FORESIGHT THAT WE HAVE HAD IN OUR CITY AND BECAUSE OF YOUR FORESIGHT. YOU BROUGHT FORTH PROP 200 IN 2010, AND THAT WAS VOTED ON BY THE SCOTTSDALE VOTERS AND THAT CALLED FOR A MECHANISM TO SUPPORT, IN THE BALLOT LANGUAGE, "SPECIAL EVENTS" AND "MEGAEVENTS" JUST LIKE THIS. BECAUSE OF THAT THINKING AND THIS PROACTIVE APPROACH, OUR COMMUNITY IS IN A POSITION WHERE WE HAVE DOLLARS SET ASIDE THAT HAVE ACTUALLY BEEN GENERATED BY VISITORS, NOT BY RESIDENTS UNLESS THEY'RE STAYING IN A HOTEL, SPECIFICALLY EARMARKED FOR THIS PURPOSE. I SAY THAT BECAUSE NOT EVERY COMMUNITY IS IN THAT POSITION. IN WORKING WITH MY COUNTERPARTS IN OTHER COMMUNITIES WOULD LIKE TO BE IN THAT POSITION, TO HAVE THOSE FUNDS SET ASIDE WHERE THEY'RE NOT

TAKING THEM OUT OF THEIR MARKETING, WHICH MEANS THEY HAVE LITTLE MARKETING DOLLARS LEFT TO FULFILL THEIR MISSION DURING THE NEXT THREE YEARS. IN FACT, ON TOP OF THAT, WE ARE THE ONLY COMMUNITY AS WAS EVIDENCED BY WHAT STEVE AND WINNIE STOLPER HAD SAID, THE ONLY COMMUNITY THAT ACTUALLY HAS A CONTRACT WITH THE SUPER BOWL THAT WILL PROVIDE DOLLAR FOR DOLLAR BENEFITS AND THAT IS SOMETHING THAT I HOPE THE RESIDENTS TAKE NOTE OF BECAUSE IT'S SOMETHING THAT IS A LITTLE UNUSUAL. I THINK OTHER COMMUNITIES WILL BE WATCHING THAT. IT'S SOMETHING THAT I THINK YOU SHOULD BE VERY PROUD OF ON BEHALF OF YOUR WORK FOR THE RESIDENTS.

IN ADDITION TO THE DOLLAR FOR DOLLAR MATCH, IF YOU WILL, YOU WILL ALSO BE RECEIVING, OUR COMMUNITY WILL BE RECEIVING, THE BENEFIT OF THE INCREASED SALES AND BED TAX THAT COMES JUST FROM THE HOSPITALITY COMMUNITY AND ALSO THE SUPPORT THAT WILL GO TO BUSINESSES LARGE AND SMALL THAT ARE DEPENDING ON EVENTS LIKE THIS TO REALLY HELP US GET OUT OF THE RECESSION. IN ADDITION TO ALL OF THAT, AND THE INCREDIBLE MEDIA EXPOSURE, YOU'RE GOING TO HAVE YOUR SCVB USING OUR MARKETING DOLLARS AS WAS OUTLINED IN YOUR CONTRACT, THE CONTRACT WITH THE SUPER BOWL AS WELL AS I THINK IN YOUR PACKET TONIGHT. WE'RE ALREADY STARTING TO WORK ON OUR MARKETING SIDE OF LEVERAGING THIS EVENT. WE'VE BEEN TALKING TO TELEVISION STATIONS, WE ALREADY HAD A VISIT FROM A SIGNIFICANT STATION THAT WANTS TO ACTUALLY BROADCAST FROM SCOTTSDALE AND WE'RE MAKING SURE THAT THEY HAVE EVERY REASON TO DO SO. WE'RE ATTENDING EVENTS, WE ARE PUTTING TOGETHER COLLATERAL, DOING

EVERY SINGLE THING WE CAN TO WORK WITH SMALL BUSINESSES TO CREATE ADDITIONAL EVENTS AND PARTIES TO MAKE SURE SCOTTSDALE HAS ALL THE BENEFIT OF THESE EVENTS. WE HAD MORE THAN 50 PARTIES THAT WE WERE A PART OF HELPING TO SEED AND TO CONTRACT HERE. WE HAD OVER 100 HOURS OF INCREDIBLE NATIONAL TELEVISION EXPOSURE THAT SHOWED SCOTTSDALE AT ITS BEST AND WE'LL BE DOING THE SAME, WORKING ON RIGHT NOW TO SECURE THAT FOR 2015. I KNOW THE HOSPITALITY COMMUNITY SUPPORTS THIS. MANY OF THEM HAVE TOLD ME THEY HAVE BEEN REACHING OUT TO YOU TO ENCOURAGE YOU TO SUPPORT THIS TONIGHT. I ALSO KNOW THAT YOU'VE HAD A POSITIVE RECOMMENDATION FROM THE TOURISM DEVELOPMENT COMMISSION WHICH, BY YOUR DIRECTION, IS THERE TO GIVE YOU RECOMMENDATIONS ON HOW TO SPEND THE BED TAX DOLLARS. SO WHAT I'D LIKE TO SAY IS I THINK THIS IS EXACTLY WHAT WE INTENDED WHEN PROP 200 WAS PUT FORTH TO OUR RESIDENTS AS A WAY TO KEEP MARKETING INTACT, TO PREPARE FOR THE FUTURE SO THAT WE CAN HOST SIGNIFICANT EVENTS LIKE THIS MEGAEVENT, OTHER EVENTS THAT COME ALONG, SO SCOTTSDALE IS ALWAYS ON THE FOREFRONT OF BEING ABLE TO DEVELOP TOURISM AS A WAY OF INCREASING OUR ECONOMIC DEVELOPMENT. I THANK YOU VERY MUCH FOR THE SUPPORT THAT YOU HAVE SHOWN IN TOURISM AND THAT WE HOPE THAT YOU WILL SUPPORT TONIGHT, A POSITIVE VOTE FOR THE UPCOMING 2015 SUPER BOWL. THANK YOU.

Mayor Lane: THANK YOU, MS. SACCO. THAT COMPLETES THE PRESENTATION S. WE DO HAVE A COUPLE OF CARDS THAT WOULD LIKE TO SPEAK TOWARD THE SUBJECT. WE'LL START WITH THAT THEN WE'LL GO TO WHATEVER QUESTIONS COUNCIL MAY HAVE. WE'LL START WITH RICK KIDDER AND FOLLOWED BY MARK STEWART.

**PUBLIC COMMENT**

[Time: 00:44:39]

President/CEO Scottsdale Chamber of Commerce Rick Kidder: MR. MAYOR, MEMBERS OF THE CITY COUNCIL, I'M PRESIDENT OF THE SCOTTSDALE AREA CHAMBER OF COMMERCE AND A LONGTIME RESIDENT OF SCOTTSDALE. I COME BEFORE YOU TO SPEAK IN FAVOR OF THE SUPER BOWL INVESTMENT.

I CALL IT AN INVESTMENT INTENTIONALLY BECAUSE THE CHAMBER TRULY BELIEVES THAT THE CITY'S EXPENDITURES WILL RESORT IN SHORT AND LONG-TERM REWARDS. CLEARLY AS THE LAST SUPER BOWL PROVED, SCOTTSDALE RECEIVED A STRONG, AND SOME MUNICIPALITIES MIGHT SAY, DISPROPORTIONATE SHARE OF THE COVERAGE. STAGED THE SAME WEEKEND AS THE WASTE MANAGEMENT OPEN, SCOTTSDALE'S AMAZING ASSETS TAKE CENTER STAGE AROUND THE WORLD. THE LAST SUPER BOWL BROUGHT AN ASTOUNDING ECONOMIC BOOST TO OUR CITY AND PLACED SCOTTSDALE FRONT AND CENTER FOR THE WORLD. DECISION-MAKERS FROM ACROSS THE GLOBE SHOWED UP IN SCOTTSDALE, AND MILLIONS SAW THE BEAUTY OF OUR CITY ON TELEVISION AND THE INTERNET. IT IS TEMPTING TO THINK OF THE SUPER BOWL INVESTMENT AS A LARGE COMMITMENT FOR A WEEK OF ACTIVITIES WHICH IGNORES THE TRUE POTENTIAL OF THE SUPER BOWL EXPERIENCE. CHECK OUT OUR AIRPORT AT SUPER BOWL WEEK AND YOU WILL SEE JETS STACKED UP LIKE NEVER BEFORE, EACH ONE BEARING BUSINESS LEADERS FROM AROUND THE WORLD, EACH OF WHOM COULD BECOME AN ECONOMIC DEVELOPMENT PROSPECT FOR SCOTTSDALE IF WE WORK TO DO SO. THAT'S WHY THE CHAMBER DEVELOPED THE OASIS PROJECT, LEVERAGING OUR GREATEST ASSET, TOURISM, IN ORDER TO FORGE CONNECTIONS AND PLANT SEEDS FOR ECONOMIC GROWTH IN OUR

CITY AND NOTHING HAS MORE POTENTIAL FOR THAT LEVERAGE THAN THE SUPER BOWL. THE CITY STANDS TO NET CONSIDERABLY AS THE RESULT OF ITS SUPER BOWL INVESTMENT IN TAX REVENUE AND BUSINESS ATTRACTION. I HOPE THAT YOU SEE THE WISDOM OF THIS INVESTMENT IN OUR LOCAL BUSINESSES, AND THAT SCOTTSDALE ONCE AGAIN GETS TO SHOW ITS PROUD FACE TO THE WORLD AS A SUPER BOWL WINNER. THANK YOU.

Mayor Lane: THANK YOU, MR. KIDDER. MARK STUART, WHO HAS DONATED TIME FROM MR. JOHN WASHINGTON. MR. STUART WE WILL GIVE YOU FOUR MINUTES.

[Time: 00:47:20]

Mark Stuart: I'M HERE TODAY BECAUSE I LOVE FOOTBALL, AND I REALLY LIKE THE SUPER BOWL. BUT MORE IMPORTANT THAN FOOTBALL AND SUPER BOWL, I LOVE CONSISTENT ENFORCEMENT OF JUST AND MORAL LAWS BECAUSE ENFORCEMENT OF JUST LAWS NURTURES FREEDOM AND I THINK WE CAN ALL AGREE THAT WE ALL BENEFIT FROM FREEDOM GROWING.

I'M HERE TODAY TO STIMULATE SOME DISCUSSION BETWEEN THE CITY COUNCIL AND POSSIBLY OTHER MEMBERS OF THE CITY STAFF ABOUT HOW WE CAN COMPLY WITH OUR JUST AND MORAL OBLIGATIONS TO ENSURE THAT EVERY TIME WE PURCHASE SOMETHING WE GET OBJECTIVE FAIR MARKET VALUE BACK. EVERYBODY CAN TALK ABOUT ALL THE GREAT THINGS THAT WE'RE GOING TO GET, BUT CAN WE QUANTIFY THEM, BECAUSE WE HAVE AN OBLIGATION TO QUANTIFY THEM.

I PUT TOGETHER A LITTLE CHART HERE. LET ME JUST SAY THIS, I'VE READ THROUGH THE PRESENTATIONS AND SEEN MANY OF THE PRESENTATIONS BY THE MARKETING PEOPLE AND OFTEN TIMES WE'RE ASKED TO BUY UNICORNS. SO FOR EXAMPLE, EXPOSURE, WHAT PRODUCT IS BEING EXPOSED AND HOW DO WE MEASURE IT AND HOW DO WE VERIFY THAT WE'RE SELLING MORE OF THE PRODUCT? I DIDN'T SEE ANY MENTION OF THAT. IF THIS WERE A BUSINESS, AND YOU HAD THE SAME OBLIGATION AS A SELF-INTERESTED BUSINESS PERSON, WHEN SPENDING CITY FUNDS, HOW WOULD YOU ANALYZE THE EFFICACY OF THE EXPENDITURE? AND I WOULD ARGUE THAT YOU CAN'T, SO JUST SOME FOOD FOR THOUGHT.

I PUT TOGETHER THIS LITTLE CHART BECAUSE I WAS JUST TRYING TO FIGURE OUT, WE'RE OBLIGATED TO PAY FOR SOMETHING. WE'RE GOING TO HAVE CERTAIN COSTS THAT WE ARE PRETTY SURE, BASED ON PAST EXPERIENCE, BUT WHAT ARE WE GUARANTEED TO GET BACK? I COULDN'T FIND ANYTHING. NOW, THE STAFF HAS ESTIMATED THAT WE'LL GET \$760,000 IN INCREMENTAL TAX REVENUE, BUT WE DON'T GET THOSE FROM THE CONTRACT, WE GET THOSE FROM THE LAW THAT ALREADY EXISTS I WOULD EVEN OVERLOOK THAT IF SOMEBODY WOULD STEP UP TO THE PLATE AND GUARANTEE THIS. SO IF I WAS SO CONFIDENT IN ALL OF THESE BENEFITS FOR THE CITY, I'D STEP UP AND SIGN ON THE DOTTED LINE. MY DAD TOLD ME WHEN I WAS IN 6TH OR 7TH GRADE, "PEOPLE WILL TELL YOU ANYTHING; IT'S ONLY WHAT THEY PUT IN WRITING THAT REALLY MATTERS." THAT'S REALLY WHAT WE LACK HERE. SO I TOOK THE LIBERTY OF SORT OF SUBSTITUTING SOME OF THE SITUATION INTO THE TURKEN VERSUS GORDON SUPREME COURT DECISION AND AS YOU CAN SEE IT'S PROBLEMATIC, BUT I'M NOT HERE TO CREATE PROBLEMS. I'M HERE TO PROPOSE SOME SOLUTIONS.

I KNOW THAT YOU'RE A STUDENT OF HISTORY MAYOR LANE, SO I THOUGHT I'D INCLUDE THIS LANGUAGE FROM FREDERIC BASTIAT, "THE MAIN ISSUE HERE IS WE'RE TAKING FROM ONE GROUP OF TAXPAYERS AND GIVING TO ANOTHER GROUP OF TAXPAYERS. HOW DO WE MAKE SURE THAT THE TAXPAYER IS WHOLE?" THESE ARE MY SUGGESTIONS. WE CAN REQUIRE THE CITY TREASURER TO PRODUCE A REPORT ON THE FINANCIAL IMPACT OF THE CITY. I RAN ACROSS ONE OF THESE LAST YEAR, BUT I HAVEN'T SEEN ANYTHING LIKE IT SINCE AND, STRANGELY, THIS ONE WASN'T SIGNED. WE CAN ADD A REQUIREMENT THAT THE TREASURER MUST REACH AN UNEQUIVOCAL CONCLUSION WITH PAYING OUT X DOLLARS FROM THE FAIR MARKET VALUE OF WHAT WE ARE GETTING IS X PLUS ZERO, OR X MINUS Y IS PRETTY CLOSE TO X.

Mayor Lane: I NEED TO HAVE YOU WRAP UP. I'LL GIVE YOU 30 SECONDS.

Mark Stuart: THANK YOU, THAT'S ALL I NEED. ONE OF THE THINGS THAT'S DIFFICULT FOR THE PUBLIC TO COMPREHEND IS YOU'VE GOT AN AWFUL LOT OF WORDS BUT VERY LITTLE SUMMARY TYING COSTS AND BENEFITS TOGETHER AND THAT'S REALLY WHAT WE REQUIRE IN ORDER TO ENFORCE OUR CITY CHARTER. WE NEED TO REQUIRE FOLLOW-UP AND ACTUAL VERIFICATION OF BENEFITS BECAUSE ANYBODY WHO KNOWS THAT DEALS WITH SALES PEOPLE, THEY PROMISE YOU THE MOON, BUT IT'S ONLY WHAT YOU ACTUALLY CAN HOLD IN YOUR HAND OR SEE IN YOUR CHECKBOOK THAT MATTERS AND THAT SAME CRITERION APPLIES TO US IN THE CITY COUNCIL AND TO THE CITY STAFF. I WOULD REQUIRE THAT ALL COUNTER PARTIES TO A CONTRACT AGREE TO A CLAW BACK OF THE CITY EXPENDITURES IF VERIFICATION FAILS. SO IF THEY SIGN THIS CONTRACT AND THEY ARE GOING TO AGREE THAT WE ARE GOING TO GET BACK \$768,000 IN TAXES AND WE DON'T, AFTER WE VERIFY IT, THEY AGREE THAT WE CAN GO AFTER THEM AND GET THE MONEY BACK.

Mayor Lane: YOU WILL HAVE TO WRAP IT UP MR. STUART.

Mark Stuart: OK. THE LAST REQUIREMENT IS THAT THE CITY ATTORNEY WOULD BE REQUIRED TO ENFORCE THE CLAW BACK PROVISION. SO I THINK IF YOU WE TAKE THIS PERSPECTIVE, I THINK THAT WE CAN BALANCE THE NEEDS OF THOSE WHO TAKE FROM THE CITIZENS WHO AREN'T IN THE TOURISM INDUSTRY WITH THE NEED TO ENFORCE JUST AND MORAL LAWS.

Mayor Lane: THANK YOU.

Mark Stuart: THANK YOU MAYOR LANE.

Mayor Lane: THAT COMPLETES THE PUBLIC TESTIMONY. DO WE HAVE ANY COMMENTS OR QUESTIONS?

[Time: 00:53:28]

Councilman Littlefield: YES, THIS IS FOR THE HEAD OF THE COMMITTEE. I HAVE A QUESTION FOR YOU. SINCE WE'RE MAKING A SUBSTANTIAL CONTRIBUTION HERE, ARE WE GOING TO GET A FULL ACCOUNTING OF HOW THE COMMITTEE SPENDS ITS MONEY? AND I'M MINDFUL OF THE FIESTA BOWL AND I DON'T WANT TO FIND OUT WE GAVE YOU ALL THIS MONEY AND FIND OUT WE ENDED UP PAYING EXORBITANT SALARIES OR POLITICAL CONTRIBUTIONS OR WILD PARTIES WE WEREN'T INVITED TO OR ANYTHING LIKE THAT, SO I'D LIKE TO MAKE SURE WE HAVE A FULL ACCOUNTING OF WHAT GOES WITH ALL THIS MONEY WE'RE GOING TO GIVE YOU AND HOW IT'S SPENT.

David Rousseau: I'M GOING TO DEFER TO WINNIE STOLPER WHO IS A CPA (CERTIFIED PUBLIC ACCOUNTANT). WHEN I TOOK THE JOB, I HAD THE SAME CONCERN AND THE ANSWER I GOT IS NO, WE HAVE WINNIE. YOU DON'T HAVE TO WORRY ABOUT THAT.

Councilman Littlefield: NOT QUITE ENOUGH.

Winnie Stolper: THE WAY THAT WE WILL ADDRESS THAT IS THAT WE ARE SEGREGATING THE FUNDS. SO THE FUNDS FROM THE CITY WILL GO INTO A SEPARATE BANK ACCOUNT, AND WE'LL BE KEEPING TRACK OF SPECIFICALLY WHAT THOSE FUNDS GO TO. SO YES, WE COULD GIVE YOU AN ACCOUNTING AT THE END OF WHAT THE FUNDS WENT TO.

Councilman Littlefield: THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN.

[Time: 00:55:02]

Mayor Lane: SINCE THERE ARE NO OTHER QUESTIONS OF THE COUNCIL HERE, I MIGHT JUST ASK A COUPLE JUST FOR SOME CLARIFICATION ON. ONE THING THAT HAS COME TO MIND, AND I KNOW WE

HAVE HAD SOME CONVERSATIONS ON THIS, BUT THE BID PROCESS THAT GENERATED THE \$25 MILLION DOLLAR FIGURE THAT WAS TO BE COLLECTED FROM COMPANIES AND CITIES, BUT NOT THE STATE; IS THAT RIGHT? THE STATE IS NOT INVOLVED IN THIS?

David Rousseau: ACTUALLY EVERYBODY, CITIES, COUNTIES, STATE, ALL EXPRESSED LETTERS OF ENDORSEMENT TO ENCOURAGE THE NFL TO AWARD THE BID BUT NO ONE MONETIZED THOSE SO WE'RE IN THE PROCESS OF GOING BACK, HAVING CONVERSATIONS WITH THE STATE, WITH THE LEGISLATURE, BUT TO DATE, THERE'S NO PROVISION. I TAKE THAT BACK, WE HAVE HAD POSITIVE CONVERSATIONS WITH THE OFFICE OF TOURISM AND WE'RE LOOKING FOR A STATE PROJECT OR A STATE-FUNDED EFFORT BEYOND THE OFFICE OF TOURISM, BUT TO DATE THAT ISN'T IN PLACE.

Mayor Lane: IS IT FAIR TO SAY THAT OF THE \$25 MILLION, \$3 MILLION HAS BEEN ALLOCATED TO MUNICIPALITIES? CORRECT?

David Rousseau: MORE OR LESS, YES.

Mayor Lane: AND IS THERE ANY WAY TO KNOW WHAT THE BREAKDOWN IS AMONG THOSE CITIES AND WHO IS CURRENTLY PARTICIPATING? YOU MIGHT NEED TO MAGNIFY THAT FOR US. I THINK I'VE GOT A HARD COPY OF IT HERE. ONE OTHER THING I WAS LOOKING FOR IS WHO HAS ALREADY COMMITTED TO THE AMOUNT THAT'S BEEN INDICATED?

Winnie Stopler: PHOENIX, TEMPE, MESA, AND HOPEFULLY, SCOTTSDALE TONIGHT AND PHOENIX, TEMPE, AND MESA HAVE ALREADY MADE PAYMENTS.

Mayor Lane: OKAY. SO THE NUMBER I SEE ON HERE IS 828 BUT THAT IS BROKEN OUT BETWEEN US AND PV (PARADISE VALLEY). HAS PV ALREADY MADE THAT?

Winnie Stopler: PV HAS COMMITTED ALSO.

Mayor Lane: ANOTHER QUESTION I SUPPOSE THEN ON SOME OF THE ITEMS THAT YOU INDICATED, THERE WOULD BE A BENEFIT TO THE CITY, ONE OF THEM WAS THE "BUSINESS CONNECT" PROGRAM. I'M PRESUMING THERE'S SOME OTHER CHARITIES THAT ARE CONSIDERED WITHIN THIS SUM OF MONEY OF \$25 MILLION OR IS THIS ALL DEDICATED TO JUST THESE TYPES OF PROGRAMS? OR ARE THESE PROGRAMS NFL PROGRAMS THAT BRING WITH THE SUPERBOWL, BRING THESE PROGRAMS NATIONALLY NOT PART OF THE \$25 MILLION DOLLARS OR ANY ALLOCATION OF THOSE FUNDS?

David Rousseau: PART OF THE BID IS A TWO MILLION DOLLAR NONPROFIT COMMITMENT, SO THERE'LL BE TWO MILLION DOLLARS THAT'LL BE LEFT BEHIND IN THE COMMUNITY. THERE'S A GRANT-WRITING PROCESS THAT OUR SPONSORS WERE GIVING THEM OPPORTUNITIES, OUR SPONSOR PARTNERS AN OPPORTUNITY TO INFLUENCE THE DIRECTION OF THAT GRANTS WRITING PROCESS, BUT IT'LL BE A UNITED WAY TYPE EFFORT IN THAT RESPECT. I DON'T KNOW IF I ANSWERED, IF THAT'S PART OF THE QUESTION.

Mayor Lane: YEAH, IT IS PART OF THE QUESTION. THANK YOU, BUT THE TWO MILLION DOLLARS SET ASIDE IS PART OF THE \$25 MILLION?

David Rousseau: YES.

Mayor Lane: IF THERE ARE SOME SURPLUSES ACCUMULATED, WHAT'S THE INTENDED USE OF THOSE? HAVE YOU BEEN PLANNING ON THAT?

David Rousseau: THAT WOULD BE A NICE PROBLEM TO CONFRONT. I THINK THERE'S TWO WAYS; ONE, IF WE'RE OVERLY SUCCESSFUL, WE COULD OBVIOUSLY EXPAND A NONPROFIT FOOTPRINT. IN ADDITION, THERE'S LOTS OF DISCUSSION RELATIVE TO HAVING OUR EFFORT POTENTIALLY SEED FUTURE EFFORTS SO THAT THE SAME GROUP DOESN'T HAVE TO NECESSARILY PARTICIPATE TO THE SAME EXTENT FOR THE NEXT MAJOR EVENT, WHETHER THAT'S A NATIONAL CHAMPIONSHIP GAME OR A POLITICAL CONVENTION, WHAT HAVE YOU.

Mayor Lane: SO THERE WOULD BE SOME OPPORTUNITY THEN FOR OUR LOCAL CHARITIES TO APPLY FOR THOSE FUNDS?

David Rousseau: ABSOLUTELY.

Mayor Lane: AND THE "BUSINESS CONNECT" PROGRAM, IT'S FOR SMALL BUSINESS PEOPLE, OR SMALL BUSINESSES; THEY'RE NOT NECESSARILY SMALL IN STATURE. BUT THE MONIES WOULD BE AVAILABLE UNIVERSALLY OR IS THAT UNDER A SPECIFIC PROGRAM OF SELECT, PREFERRED GROUPS?

[Time: 01:00:53]

Business Connect Representative: THE "BUSINESS CONNECT" PROGRAM IS TARGETING WOMEN AND MINORITY-OWNED BUSINESSES AND SO WE GO OUT AND GATHER THOSE GROUPS, CREATE A DATABASE, AND THEN CERTIFY THEM TO TAKE ON THAT NFL BUSINESS THAT WILL COME ASSOCIATED WITH THE SUPER BOWL.

Mayor Lane: OKAY. SO THERE IS NOT JUST ANYTHING AVAILABLE FOR JUST OUR SMALL BUSINESS PEOPLE?

Business Connect Representative: FOR JUST REGULAR BUSINESSES?

Mayor Lane: THAT MIGHT NOT BE MALE OR NONMINORITY, YEAH.

Business Connect Representative: EXACTLY. WE'RE WORKING ON THAT PROGRAMMING NOW BECAUSE WE TOO ARE VERY INTERESTED IN HAVING SOMETHING THAT IS EVEN MORE INCLUSIVE.

Mayor Lane: MORE INCLUSIVE?

Business Connect Representative: EXACTLY.

[Time: 01:01:30]

Mayor Lane: OKAY. ONE OTHER THING I HEARD THAT AND MAYBE RACHEL, YOU MIGHT BE ABLE TO RESPOND TO THIS, PART OF THIS PROGRAM FROM THE STANDPOINT OF DESTINATION MARKETING IS AN ABILITY TO MARKET THIS PROGRAM TO THE TARGETED, WELL, I SHOULD SAY THE PLAYOFF WINNERS THAT'LL BE ENTERING INTO THIS. IT IS AN ADDITIONAL AS FAR AS THE USE OF OUR DESTINATION MARKETING FUNDS TO USE THIS AS AN ADVANTAGE IN THAT WAY TOO. WITH THAT, I WOULD JUST SAY THAT ONE OF THE, THERE ARE SOME OBVIOUS CONCERNS THAT I HAVE WITH THE PROCESS, I SUPPOSE, AND THAT IS AFTER THE BID IS MADE, AND I REALIZE IT MAKES IT TOUGH ON YOU ALL TO COME TO THE CITIES AND COUNTIES AND WHOMEVER ELSE, CERTAINLY TO THE BUSINESS COMMUNITY AS WELL, AND I'M INTERESTED AS TO WHAT KIND OF LEVEL OF PARTICIPATION EVEN IN THE BUSINESS COMMUNITY. BUT THERE'S A DEPENDENCY ON MAKING THAT GOAL. AND I UNDERSTAND THAT. BUT THE PROCESS OF US HAVING IT PUT WITH US AFTER THE FACT IS A LITTLE DIFFICULT, EVEN THOUGH I KNOW THAT ALSO THE PROCESS OF BIDDING FOR THIS KIND OF EVENT DOES NOT NECESSARILY LEND ITSELF TO A LOT OF FRONT RUNNING. BUT IT DOES SEEM LIKE AN AWKWARD KIND OF APPROACH AND IF THE SITUATION WAS DIFFERENT FOR THE CITY OF SCOTTSDALE, THERE'D BE A VERY DIFFERENT MOOD AND TONE HERE AND I KNOW THAT AT THE DEPTH OF THE RECESSION, YOU PROBABLY WOULD HAVE FOUND IT VERY DIFFICULT AND WINNIE, IF I REMEMBER FROM A CONVERSATION, YOU INDICATED THAT SOMEONE MADE A DECISION NOT TO EVEN MAKE THE ATTEMPT BECAUSE OF THE STATUS OF THE ECONOMY, BOTH IN THE BUSINESS AND PRIVATE SECTOR AS WELL AS MUNICIPALITIES. BUT AS WAS SAID BY MAYBE MORE THAN ONE, WE ARE IN A UNIQUE POSITION OF HAVING DECLARED AND DEDICATED CERTAIN SUMS OF MONEY THAT ARE DERIVED DIRECTLY FROM TOURISM TOWARD PROMOTION, INFRASTRUCTURE, AND ALSO GENERAL ADMINISTRATION COSTS THAT ARE ASSOCIATED WITH THE LARGE EVENTS THAT WE SPONSOR NOT AN EVERYDAY, BUT CERTAINLY AN EVERY YEAR BASIS. SO IT DOES LEND ITSELF TO THE LANGUAGE THAT THE VOTERS VOTED FOR FOR THE USE OF THOSE FUNDS, AND I THINK IT'S AN APPROPRIATE USE EVEN THOUGH IT'S ALWAYS A CAREFUL CALCULATION AS TO HOW WE'RE SELECTED AND WHAT AMOUNT OF MONEY THE CITY OF SCOTTSDALE NEEDS TO BE INVESTING IN THESE THINGS VERSUS OTHERS. IF THERE'S ANOTHER PROCESS OF THIS OR PUTTING THIS INTO THE PRIVATE SECTOR, I WOULD BE AN ADVOCATE OF IT. I DO THINK THAT IT'S ONE OF THOSE THINGS THAT TAXPAYERS ARE GOING TO LOOK AT IN A DIFFERENT LIGHT EVEN WITH THE ELEMENTS OF FUNDING THAT WE HAVE IN

PLACE FOR JUST THIS KIND OF THING. THANK YOU VERY MUCH FOR THE PRESENTATION. I'LL GO TO COUNCILMAN ROBBINS.

[Time: 01:04:39]

Councilman Robbins: I HAVE A TECHNICAL QUESTION, MAYBE EVEN STEVE KNOWS. I UNDERSTAND THE ESTIMATED INCREMENTAL TAXES AND THE CONSERVATIVE ESTIMATE OF THE MEDIA COVERAGE, BUT THE BENEFITS DELIVERED BY THE HOST COMMITTEE, \$645,840 WHICH IS OUR COMMITMENT, BUT THEN YOU HAD MADE A MENTION THAT THAT IS GUARANTEED IN THE CONTRACT, IF WE DON'T RECEIVE THAT BENEFIT FROM THE COMMITTEE THAT WE WILL RECEIVE THAT BACK AND I CAN'T FIND THAT IN THE AGREEMENT ANYWHERE. IF YOU COULD SHOW ME WHERE THAT IS I WOULD APPRECIATE THAT. I OBVIOUSLY EXPECT THAT TO HAPPEN. BUT I JUST, THAT WAS A NEW PIECE OF INFORMATION THAT I HADN'T HEARD BEFORE AND WAS PART OF THIS AGREEMENT.

Steve Geiogamah: I BELIEVE THAT'S IN SECTION 2 OF THE CONTRACT. IN REGARDS TO, SECTION 2, SECTION E, IDENTIFIES THAT THE SPONSOR SHALL HAVE THE ABSOLUTE RIGHT TO DEMAND A REFUND OF ANY DIFFERENCE REGARDING SPONSORSHIP AND WHAT THE RETURN IS.

Councilman Robbins: OKAY, I GOT THAT. AND I APPRECIATE THE COMMITTEE GOING BEYOND WHAT YOU DO WITH OTHER COMMUNITIES AND PUTTING THIS INTO A CONTRACT FORM. I THINK THAT'S SOMETHING THAT'S VERY BENEFICIAL TO US AS A COMMUNITY AND I ALSO NOTICED IN HERE WHICH I'D LIKE TO CALL OUT THAT WASN'T REALLY MENTIONED AS MUCH, BUT ALL THIS IS GUARANTEED TO COME FROM THE BED TAX ONLY. NO OTHER FUNDS WILL BE USED FOR THIS PURPOSE. SO THAT'S ALSO IN THE CONTRACT WHICH IS EXCELLENT AS WELL. I THINK THAT'S A BENEFIT.

Councilman Robbins: WITH THAT, MAYOR, I'LL MAKE A MOTION THAT THE COUNCIL APPROVE RESOLUTION NO. 9344.

Councilwoman Milhaven: I SECOND.

Mayor Lane: MOTION WITH A SECOND. WOULD THE SECOND LIKE TO SPEAK TOWARD IT?

Councilwoman Milhaven: NO, THANK YOU MAYOR.

Mayor Lane: COUNCILMAN LITTLEFIELD?

Councilman Littlefield: I HAVE A COUPLE MORE QUESTIONS. FIRST OF ALL, I'LL CONCEDE THAT SCOTTSDALE MAKES OUT ON THE SUPER BOWL. AS A REGULAR USER OF THE AIRPORT, THE LAST TIME WE HAD THE SUPER BOWL, WE WERE STACKED UP WITH BUSINESS JETS, BUT THAT'S GOING TO HAPPEN WHETHER WE ALLOCATE THIS MONEY OR NOT. SO THE DEVIL'S ADVOCATE QUESTION WOULD BE WHY SHOULD WE GIVE YOU THIS MONEY WHEN WE'RE GOING TO GET THE TOURISM BENEFITS ANYWAY?

David Rousseau: WELL, MY SUCCESSOR, WHEN PITCHING THIS EFFORT THE NEXT TIME WOULD HAVE A HARD TIME ABSENT SOME SORT OF DEPOSIT IN ADVANCE FROM THE VARIOUS MUNICIPALITIES IF THAT WERE TO PLAY OUT THAT WAY. SO I THINK YOU WOULD SEE AN EROSION OF FUTURE MAJOR EVENTS IF THERE WASN'T THAT SORT OF COLLEGIAL PARTICIPATION THAT WE'VE PLANNED ON, BANKED ON.

Councilman Littlefield: I KNOW AT LEAST PARADISE VALLEY LAST TIME AROUND, THESE ARE AMOUNTS THAT YOU'RE ASKING US FOR. WE COULD SAY, OKAY, WE'LL CHIP IN, BUT WE'RE ONLY GOING TO CHIP IN HALF OF WHAT YOU ASKED FOR. IF I REMEMBER CORRECTLY, THAT'S WHAT PARADISE VALLEY DID LAST TIME. THEY SAID WE CAN'T AFFORD THAT, SO WE'LL THROW YOU --I DON'T REMEMBER WHAT THE NUMBER WAS. SO WE COULD SAY INSTEAD OF THIS AMOUNT, WE'RE GOING TO GIVE YOU 2/3 OF THAT OR HALF ALSO. COULD WE NOT? AND IN FACT OTHER CITIES HAVE DONE THAT AND I'M GUESSING THERE'S PROBABLY BEEN SOME OTHER CITIES THAT HAVE JUST FLAT OUT SAID NO. WOULD I BE RIGHT?

David Rousseau: YES, WE HAVE HAD CITIES THAT HAVE AT LEAST TO DATE INDICATED THAT THEY'RE PROBABLY NOT GOING TO PARTICIPATE AND I DON'T WANT TO SOUND TIT FOR TAT, BUT WHEN WE'RE IN A POSITION OF PLANNING OUR EFFORTS, I DON'T KNOW IF THAT'S LOST ON OUR PLANNING EFFORTS AS TO WHICH MUNICIPALITIES HAVE BEEN SUPPORTIVE OF THIS EFFORT.

Mayor Lane: THANK YOU, COUNCILMAN LITTLEFIELD. SEEING THAT THERE IS NO OTHER COMMENT FROM THE DAIS, I THINK THEN WE'RE READY TO VOTE. ALL IN FAVOR OF THE MOTION AS IT'S BEEN STATED AND SECONDED? INDICATE BY AYE AND REGISTER YOUR VOTE AND NAY IF YOU OPPOSE. IT'S UNANIMOUS TO SUPPORT THE ALLOCATION. THANK YOU VERY MUCH MR. ROUSSEAU.

**ADJOURNMENT**

[Time: 01:09:39]

Mayor Lane: THAT CONCLUDES OUR REGULAR AGENDA ITEM AND OUR REGULAR MEETING. WE WILL BE RECONVENING OUR EXECUTIVE SESSION AFTER OUR WORK STUDY SESSION. BUT AT THIS POINT IN TIME, UNLESS WE HAVE ANY OTHER DOCUMENTS OR COUNCIL ITEMS, I'LL ACCEPT THE MOTION TO ADJOURN THIS REGULAR MEETING.

Councilman Littlefield: MOVE ADJOURNED.

Mayor Lane: MOTION TO ADJOURN.

Councilmember Phillips: SECOND.

Mayor Lane: SECONDED. ALL IN FAVOR OF ADJOURNMENT INDICATE BY AYE. WE ARE ADJOURNED ON THE REGULAR MEETING.